

The disclosures in compliance with Regulation 16(2) of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

A. STATEMENT OF RISKS:

All investments in shares, options are subject to risk as the value of shares may go down or go up. In addition, the options are subject to the following additional risks:

1. Concentration: The risk arising out of any fall in value of shares is aggravated if the employee's holding is concentrated in the shares of a single company.
2. Leverage: Any change in the value of the share can lead to a significantly larger change in the value of the options.
3. Illiquidity: The options cannot be transferred to anybody, and therefore the employees cannot mitigate their risks by selling the whole or part of their benefits before they are exercised.
4. Vesting: The options will lapse if the employment is terminated prior to vesting. Even after the options are vested, the unexercised options may be forfeited if the employee is terminated for gross misconduct.

B. INFORMATION ABOUT THE COMPANY

1. **Business of the company:**

Company is engaged into the business into the business of Consultancy and training services.

2. **Abridged financial information:**

(Amounts in ₹ Lakhs)

Particulars	FY 22-23	FY 21-22	FY 20-21	FY 19-20	FY 18-19
Total Revenue	4777.25	7945.28	3,489.65	4,271.97	6,331.01
Expenses	4132.36	7479.33	3,770.18	3,716.93	5,965.25
Net Profit before Tax	644.89	465.95	(280.53)	555.03	381.80
Tax Expenses	64.96	247.54	69.42	148.92	68.38
Net Profit/ (Loss) After Tax	579.93	218.41	(211.11)	406.11	313.41
Paid-up Capital	1,342.15	1,342.15	1,342.15	1,342.15	1,210.00
Earning per share (In INR)	4.32	1.63	(1.57)	3.13	2.59

3. **Risk Factors:**

Participation in the Plan shall not be construed as any guarantee of return on the equity investment. Any loss due to fluctuations in the market price of the equity and the risks associated with the investments is that of the Grantee alone.

4. Continuing disclosure requirement:
Option Grantee may refer to Disclosures filed by the Company with NSE and uploaded on the website of NSE and the Company from time to time.

C. SAILENT FEATURES OF THE SCHEME:

1. **Brief Description of the Scheme(s):**

The Employee Stock Option Plan 2021 (“ESOP 2021”) is intended to reward the Eligible Employees of the Company and its Subsidiary Company/ies, for their long term association and loyalty with the Company. Each of the stock options issued under ESOP 2021 shall be eligible for being converted into one equity share of MITCON Consultancy & Engineering Services Limited. The ESOP 2021 conforms to the applicable SEBI Regulations and the provisions of the Companies Act, 2013.

2. **Total number of options to be granted:**

6,70,000 (Six Lakhs Seventy Thousand Only) options would be available for grant to the eligible employees of the Company and its subsidiary/ies under ESOP 2021, in one or more tranches convertible into not exceeding 6,70,000 (Six Lakhs Seventy Thousand Only).

3. **Requirements of vesting and maximum period of vesting:**

Options granted under ESOP 2021 would vest not earlier than one year and not later than five years from the date of grant of such Options.

4. **Maximum period within which the Options shall be vested**

5 Years

5. **Exercise price**

Exercise Price shall be determined by the Administrator in accordance with the Applicable Law.

6. **Exercise period and the process of exercise including The specified time period within which the employee shall exercise the vested Options in the event of a proposed termination of employment or resignation of employee:**

While in employment:

- (i) The Exercise Period shall be five years from the date of respective vesting or such other shorter period as may be decided by the Nomination & Remuneration Committee from time to time.
- (ii) Option Grantee/ Beneficiary shall be required to make an Exercise request by submitting an application/request to the Company for issue/ allotment of shares against vested options under the Plan, upon payment of applicable amount.
- (iii) Employee shall be required to pay the applicable amount (aggregate exercise price and applicable taxes) in full upon exercise of the vested options.
- (iv) The options can be exercised either in full or in part.

(v) Exercise shall take place as per the time and place designated by the Administrator or the Company and by executing such documents as may be required under the applicable laws.

(vi) A vested option shall be deemed to be validly exercised only when the Administrator or any other person authorized by the Administrator receives written and signed notice of exercise (Exercise Form) from the Option Grantee/ Beneficiary and a confirmation that the applicable amount has been received.

(vii) Exercise Period in case of separations:

Options can be exercised as per provisions outlined below:

S. No.	Separations	Vested Options	Unvested Options
1	Resignation/ termination (other than due to Cause)	may be exercised by the Option Grantee by the last working day with the Company.	shall stand cancelled with effect from that date.
2	Termination due to Cause	shall stand cancelled with effect from the date of such termination.	shall stand cancelled with effect from the termination date.
3	Retirement	may be exercised by the Option Grantee within 24 months from date of retirement.	shall stand cancelled as on the date of such Retirement.
4	Death	may be exercised by the Option Grantee's nominee or legal heir immediately after, but in no event later than 24 months from the date of Death.	shall vest immediately and may be exercised by the Option Grantee's nominee or legal heir immediately after, but in no event later than 24 months from the date of Death.
5	Permanent Incapacity	may be exercised by the Option Grantee or, if the Option Grantee is himself, unable to exercise due to such incapacity, the nominee or legal heir, immediately after, but in no event later than 24 months from the date of such incapacity.	shall vest immediately and can be exercised by the Option Grantee or, if the Option Grantee is himself unable to exercise due to such incapacity, the nominee or legal heir immediately after, but in no event later than 24 months from the date of such incapacity.
		The Nomination & Remuneration Committee	

6	Other reasons apart from those mentioned above	shall decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final.	All Unvested Options on the date of separation shall stand cancelled with effect from that date.
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7. The conditions under which option vested in employees may lapse:

The Options not exercised within the Exercise Period shall lapse and the Employee shall have no right over such lapsed or cancelled Options.

8. Maximum number of Options to be issued per Employee and in aggregate under the Plan:

1% or more of the issued capital (excluding warrants & conversion) of the Company at the time of grant of options

9. Disclosure and Accounting Policies:

- (a) The Company shall follow the laws/regulations applicable to accounting and disclosure related to Employee Stock Options, including but not limited to the Guidance Note on Accounting for Employee Share-based Payments and/ or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India or any other authority from time to time, including the disclosure requirements prescribed therein.
- (b) Where the existing Guidance Note or Accounting Standard do not prescribe accounting treatment or disclosure requirements for ESOP 2021, then the Company shall comply with the relevant Accounting Standard as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time.
- (c) The Company shall make disclosures to the prospective Option Grantees containing statement of risks, information about the Company and salient features of the ESOP 2021 in a format as prescribed under SEBI SBEB & SE Regulations 2021.
- (d) The Company shall disclose details of Grant, Vest, Exercise and lapse of the Employee Stock Options in the Directors' Report or in an annexure thereof as prescribed under SEBI SBEB & SE Regulations 2021 or any other Applicable Laws as in force.
- (e) The Board/Company shall make all the relevant disclosures in the Director's Report in relation to the Plan as are required under SEBI Regulations as and when it is applicable or other applicable laws.

10. Miscellaneous:

Government Regulations

The ESOP 2021 shall be subject to all Applicable Laws to the extent applicable. The Grant of Options and allotment of Shares to the Employees under this ESOP 2021 shall be subject to the Company requiring the Employees to comply with all Applicable Laws.

Inability to obtain authority

The inability of the Company to obtain authority from any regulatory body having jurisdiction over the Company, or under any Applicable Laws, for the lawful allotment and issuance of any Shares hereunder shall relieve and wholly discharge the Company of any and all liability in respect of such inability.

Neither the existence of this Plan nor the fact that an individual has on any occasion been granted an Employee Stock Option shall give such individual any right, entitlement or expectation that he has or shall in future have any such right, entitlement or expectation to participate in this Plan by being granted an Employee Stock Option on any other occasion. The rights granted to an Option Grantee upon the grant of an Employee Stock Option shall not afford the Option Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the Company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).

The Option Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to exercise an Employee Stock Option in whole or in part.

Participation in ESOP 2021 shall not be construed as any guarantee of return on equity investment. Any loss due to fluctuations in the market price of the Shares and the risks associated with the investments are that of the Employee alone.

The Company shall bear the costs of establishing and administering the Plan, including any costs of the Company's auditors or any independent financial advisor in relation to the preparation of any confirmation by them or provision of any other service in relation to this plan.

The Option Grantee shall comply with SEBI (prohibition of Insider Trading) Regulations, 2015 and SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, to the extent applicable as well as any code of conduct or such similar policy or procedure or system formulated by the Board/ Committee and communicated from time to time. Any violation of the applicable laws or code of conduct may result in cancellation of all vested and unvested options (whether accrued or not) as well as disciplinary action against the grantee.

This Plan constitutes the entire document in relation to its subject matter and supersedes all prior agreements and understandings whether oral or written with respect to such subject matter.

11. Lock-in period:

The Shares issued upon Exercise of Options shall be freely transferable and shall not be subject to any lock-in period restriction after such Exercise.

12. Route of Plan implementation:

Direct Route